# Corporate Sector and Higher Education in India

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In spite of commendable achievements in the fields of science, technology and innovation, India's higher education scenario is still not at par with global standards in terms of serving the requirements of domestic as well as global economy while fitting into the new roles created by increasing automation. Thankfully, the realization has dawned upon us that unless the institutional governance is made free of regulatory burden and allowed to freely cultivate a culture of research, innovation and entrepreneurship, our demographic dividend will remain underutilized.

In this regard, the government has taken two major decisions in order to revamp the higher education in India- the replacement of University Grants Commission (UGC) with HECI (Higher Education Commision of India) and the announcement of six public and private institutions as Institutes of Eminence which will be made world-class institutions. Against the backdrop of this overhaul of the education system, we need to analyze the role of the corporate sector in the education system.
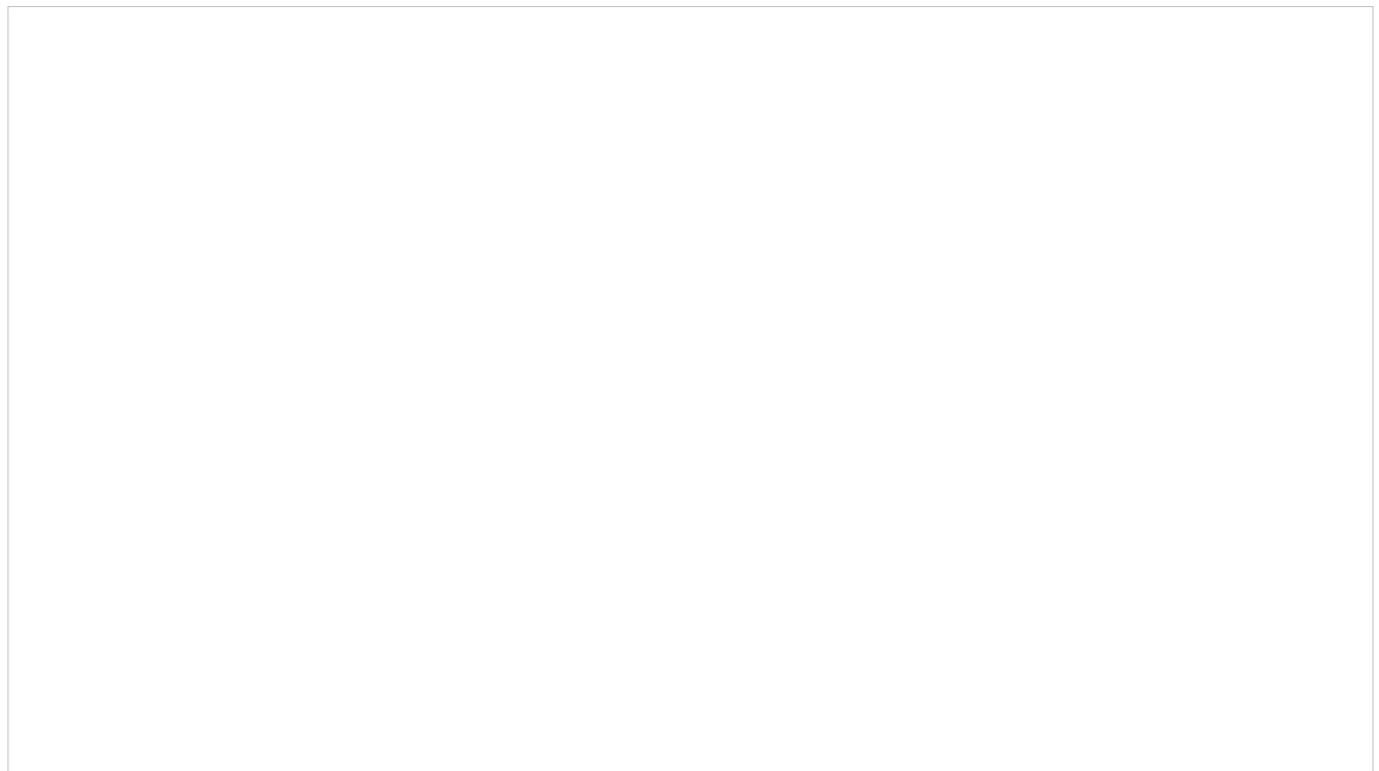
The Crisis of Higher Education

The key problems with Higher Education are as follows:

- **Low employability of graduates**, driven by several factors including outdated curricula, shortage of quality faculty, high student-teacher ratios, lack of institutional and industry linkages, and lack of autonomy to introduce new and innovative courses. NASSCOM estimates that only 20% of graduates of engineering colleges in India are employable in IT companies.

- **Low impact research output and patents** filed, given the relatively low government and corporate spending on research, insufficient doctoral students, missing research focus and culture in most institutions, and lack of international research collaborations
- **Limited focus on entrepreneurship** on campus as reflected in the fact that there are only a few institutes that offer programs in entrepreneurship and have active incubation/ entrepreneurship cells
- **Complex regulatory requirements and hurdles**, poor institutional governance standards, and lack of professional management
- **Lack of funding**: Most of State and some of the Central Universities suffer from the problem of lack of funding.
- **Lack of leadership and corporate engagement**: There are very few examples of corporate philanthropy in India and there is an extreme lack of contemporary leadership in philanthropy in higher education in India.

Corporate and Higher Education

The Companies Act, 2013 made it mandatory for corporate organizations to spend at least 2% of their profits to carry out Corporate Social Responsibilities.
However, much of the CSR Expenditure goes to the Prime Minister's Relief Fund and a very small amount is spent on carrying out philanthropic activities by the companies themselves.
Moreover, the role played by the corporate sector in the education sector is marginal.
In the light of this statement, the following recommendations are made:

- **Raising resources from corporate sector:** The allocation of funds, grant and loans to educational resources needs to be increased considerably. This responsibility cannot be undertaken by the government solely. The corporate sector should extend CSR to the educational sector.
- **Policy Intervention:** It is important that a policy is made to designate universities and related funding as a priority sector and that the corporate sector is incentivized for extending its CSR to educational institutions.
- **Establishment of private universities for not-for-profit purposes:** Although a number of institutes have been started by the private sector, they are profit-driven. It is important that the institutes are established through philanthropy and with the vision, values and ethos of a university. This can only be done if the government plays an active role in the establishment of universities. The banks and other financial institutions should also come forward to provide loans to eminent persons from the academic sector to set up educational institutions.
- **Transparency in choosing Institutes of Eminence:** Although the initiative of Institutes of Eminence is a step towards creating world-class universities, it is marred by lack of transparency (and vision) in the selection of institutes. If the institutes are selected with more clarity in the criteria for selection, this step may go a long way in taking India's higher education scene to a next level.

There is an urgent need in Indian universities to reflect upon the crisis of leadership and the inability to seek reforms related to institution building. In this, leadership in philanthropy is central to enabling an institutional vision which will help build the future of higher education in India.